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REPORT
No. 91-1191

TEMPORARY EMPLOYMENT AND RETIREMENT

SEPTEMBER 17, 1970.—Ordered to be printed

Mr. FONG, from the Committee on Post Office and Civil Service,
submitted the following

REPORT

[To accompany S. 2984]

The Committee on Post Office and Civil Service, to which was referred the bill (S. 2984) to permit certain Federal employment to be counted toward retirement having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

EXPLANATION AND JUSTIFICATION

Some temporary, part-time, and intermittent employment is covered by social security rather than by the retirement program. Such Federal civilian employment which, because of the type of appointment, places the employee under the social security law is generally creditable for civil service retirement purposes, if the employee is later employed in a position subject to the civil service retirement system. One exception to this rule exists as the result of the enactment of section 115 of the Social Security Amendments of 1954, Public Law 83-761, approved September 1, 1954.

By the terms of section 115, an employee who acquires social security coverage under the Social Security Amendments of 1954 may never receive retirement credit under the civil service retirement system or under any other retirement system established by the United States for the service covered by social security. Under the 1954 Social Security Amendments, which became effective January 1, 1955, social security coverage was and is extended to temporary and indefinite employees in the field service of the Post Office Department, temporary and indefinite employees of the Federal Deposit Insurance Corporation, temporary census-taking employees of the Census Bureau; employees on a contract or fee basis, persons receiving nominal pay of \$12 a year or less, and patient employees in Federal hospitals.

Accordingly, any temporary or indefinite employee of this kind may not, if he later secures civil service retirement coverage, receive credit for his prior social security covered service in determining title to annuity for himself or his survivors, or in the computation of his annuity benefit. This is true even though the employee is not then or would not at any time in the future become eligible for social security benefits.

S. 2984 would repeal section 115 of the Social Security Amendments of 1954 to permit social security-covered service in the categories listed above to be counted under the civil service retirement system or other retirement system for Federal employees.

S. 2984 would become effective upon enactment and apply to employees and former employees who thereafter retire. An employee-annuitant or survivor-annuitant who, on the date of enactment, was already receiving or entitled to receive retirement benefits could request the Civil Service Commission (or other office which administers his retirement system) to allow additional service credit for any employment in the categories previously mentioned. The resulting increase in annuity would be payable only from the first of the month following enactment.

An employee who has service which becomes creditable for retirement purposes as a result of this bill may, if he wishes, make a deposit to the retirement fund equal to retirement deductions for the period, plus interest. Like any other employee who has nondeduction service, he will receive retirement credit without making any deposit, and the only penalty for nonpayment is a reduction in annuity equal to 10 percent of the amount due as deposit.

AMENDMENTS

As introduced, S. 2984 would have credited toward civil service retirement previous social security covered service only in the case of temporary and indefinite employees in the field service of the Post Office Department. The committee, believing that all employees in the same circumstances should be treated alike, has amended the bill to include all employees deprived of such retirement credit by section 115 of the Social Security Amendments of 1954. The title was also amended to reflect more accurately the purpose of the bill as amended.

AGENCY VIEWS

The staff of the Civil Service Commission advises that, in the staff's view, the existing bar to retirement credit imposed by the 1954 Social Security Amendments is inequitable in principle, because it denies credit for Federal civilian service under the retirement system which was established and is maintained as the staff retirement plan for career civilian employees. Such a system should base retirement income on all service performed for the Federal Government as employer.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows (existing law in which no change is proposed is shown

in roman; existing law proposed to be omitted is enclosed in black brackets; new matter is shown in italic):

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SOCIAL SECURITY AMENDMENTS OF 1954

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**[COVERED EMPLOYMENT NOT COUNTED UNDER OTHER
FEDERAL RETIREMENT SYSTEMS**

[SEC. 115. Notwithstanding any other provision of law, in determining eligibility for or the amount of any benefit (other than a benefit under title II of the Social Security Act or under the Railroad Retirement Act of 1937, as amended) under any retirement system established by the United States or any instrumentality thereof, there shall not be taken into account any service which, by reason of the amendments to section 210 (a) of the Social Security Act made by section 101 (c) of this act, constitutes employment as defined in such section 210 (a).**]**

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